

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. PGA-02-54
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ORDER APPROVING ANNUAL RECONCILIATION FILING

(Issued November 25, 2002)

On October 1, 2002, Interstate Power and Light Company (IPL) filed its annual reconciliation of gas costs for the 12-month period ending August 31, 2002, in accordance with 199 IAC 19.10(7). On October 18, 2002, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a conditional objection to the filing. On October 22, 2002, the Board issued an order docketing the annual reconciliation for further review. On November 8, 2002, Consumer Advocate filed a withdrawal of the conditional objection. IPL filed revisions to the annual reconciliation filing on October 16 and 23 and on November 13, 2002.

The annual reconciliation is filed each year by IPL in compliance with the requirements of 199 IAC 19.10(7). The filing reconciles each customer class's actual net invoiced cost of purchased gas to the actual revenue collected net of the prior year's reconciliation dollars plus any undistributed refunds. Prior to September 2002, IPL separated gas cost into three pricing zones. IPL combined the pricing zones in

Docket No. PGA-02-46 and is proposing to combine the separate pricing zone reconciliation E-factors in this filing.

The reconciliation, as revised, shows an overcollection by IPL. The Board finds that the annual reconciliation, as revised, supports the overcollection calculation. The purchased gas adjustment filings from December 2002 to August 2003 will be adjusted by the E-factor reflecting the overcollection. IPL has filed a revision to the E-factor to reflect the nine-month recovery period. The Board also finds that combining the E-factors will have a minimal effect on individual customers and will reduce the number of purchased gas adjustment filings required of IPL. The Board will approve the annual reconciliation filing as revised.

IT IS THEREFORE ORDERED:

The annual reconciliation filed by Interstate Power and Light Company on October 1, 2002, as revised on October 16, October 23, and November 13, 2002, is approved.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 25th day of November, 2002.